Budget Support

Core Concepts: Definition of EU budget support and eligibility criteria

Online Sessions

What is Budget Support for the EU?

Results of the pre-course test

EU Approach to budget support

4 eligibility criteria

Credible and relevant development/sector policy

Relevant and credible PFM reform programme

Stability oriented macro-economic policies

Transparency and oversight of the budget

4 interrelated components

Performance & assessment criteria

Policy dialogue

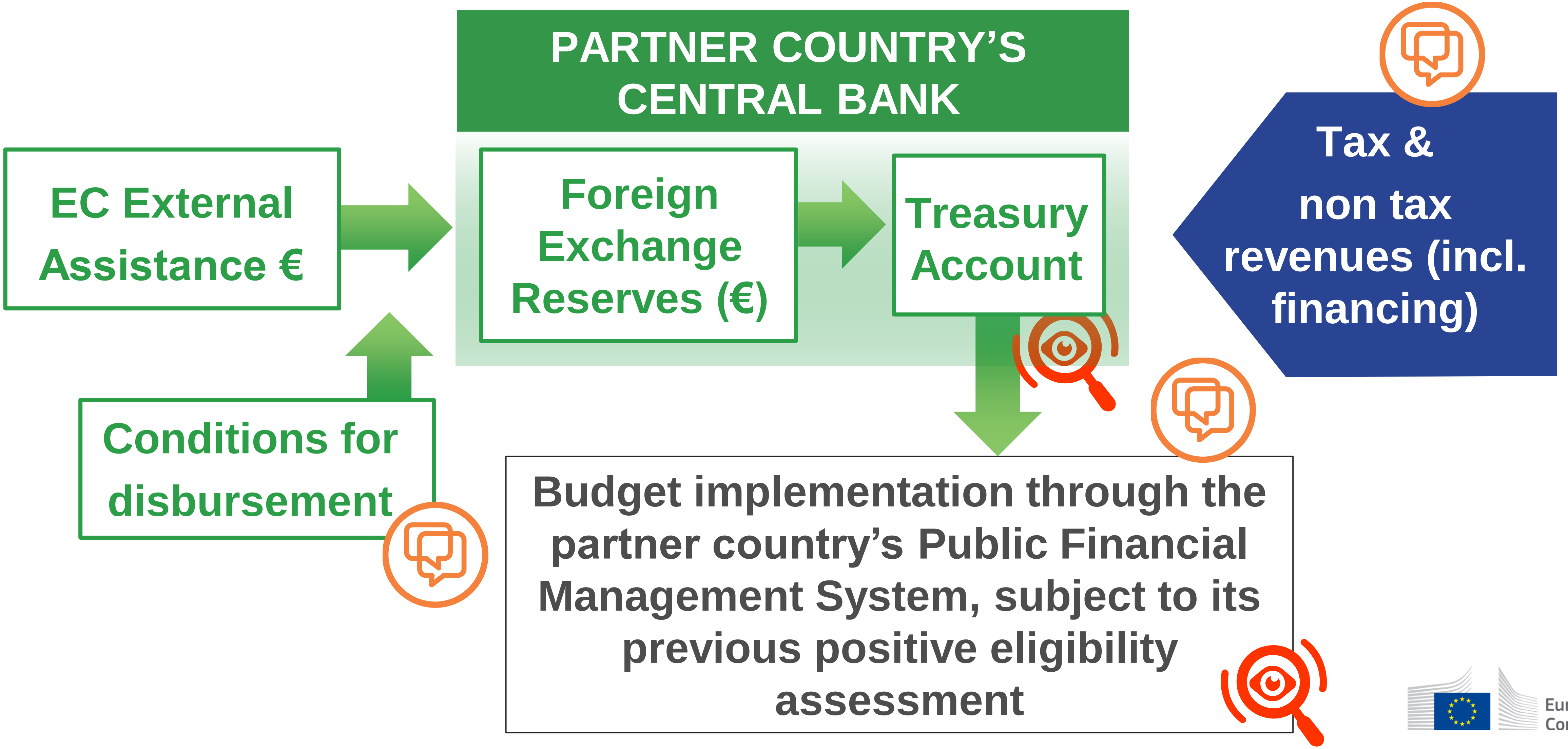
Capacity building

Financial transfers (grants)

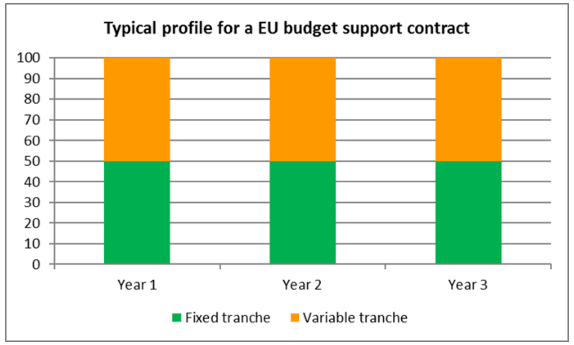
3 types of multiannual contracts

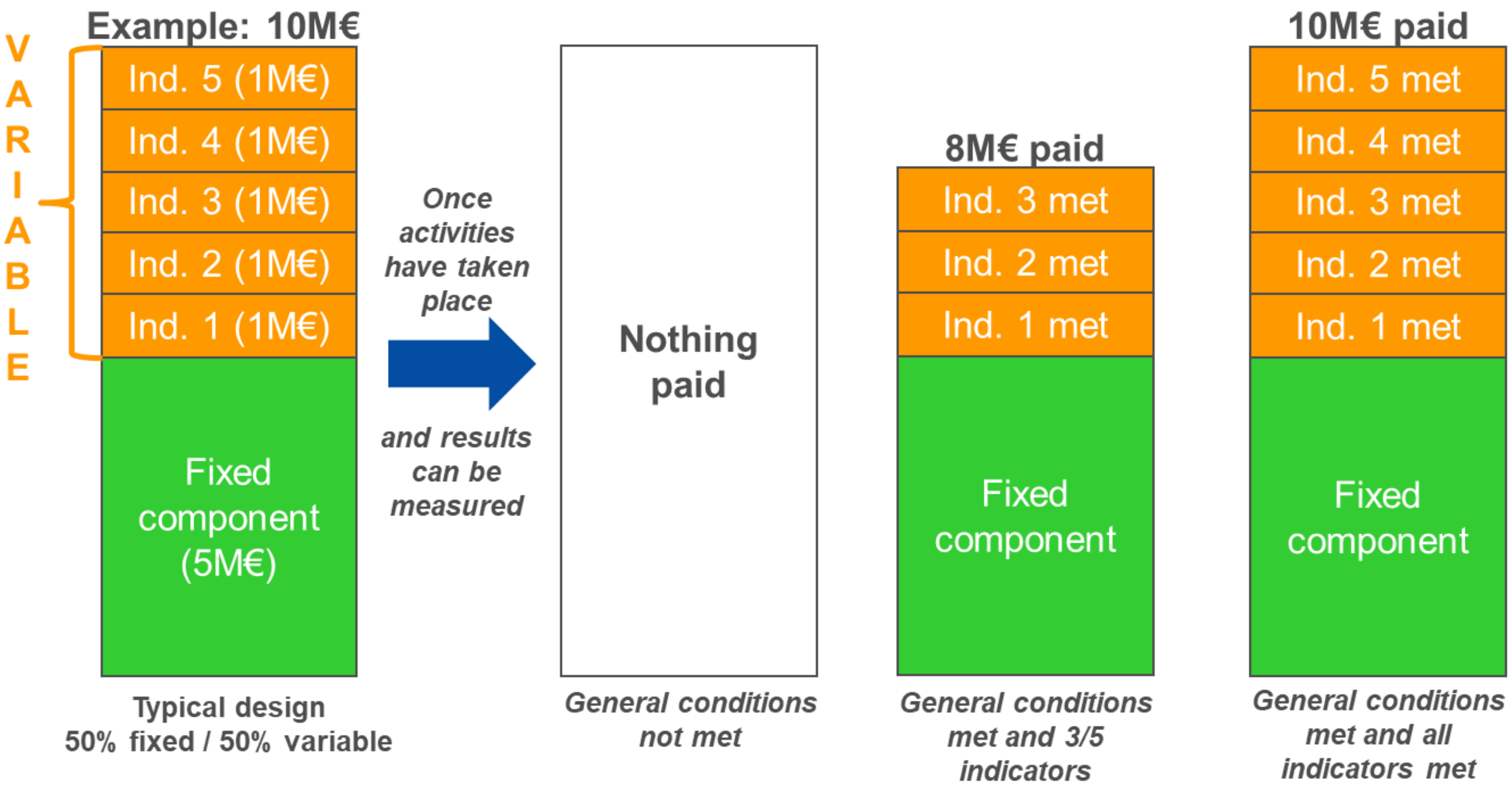
Sustainable Development Goals Contract (SDG-C)
State and Resilience Building Contract (SRBC)
Sector Reform Performance Contract (SRPC)

Flow of funds, policy dialogue and monitoring



A performance-based modality

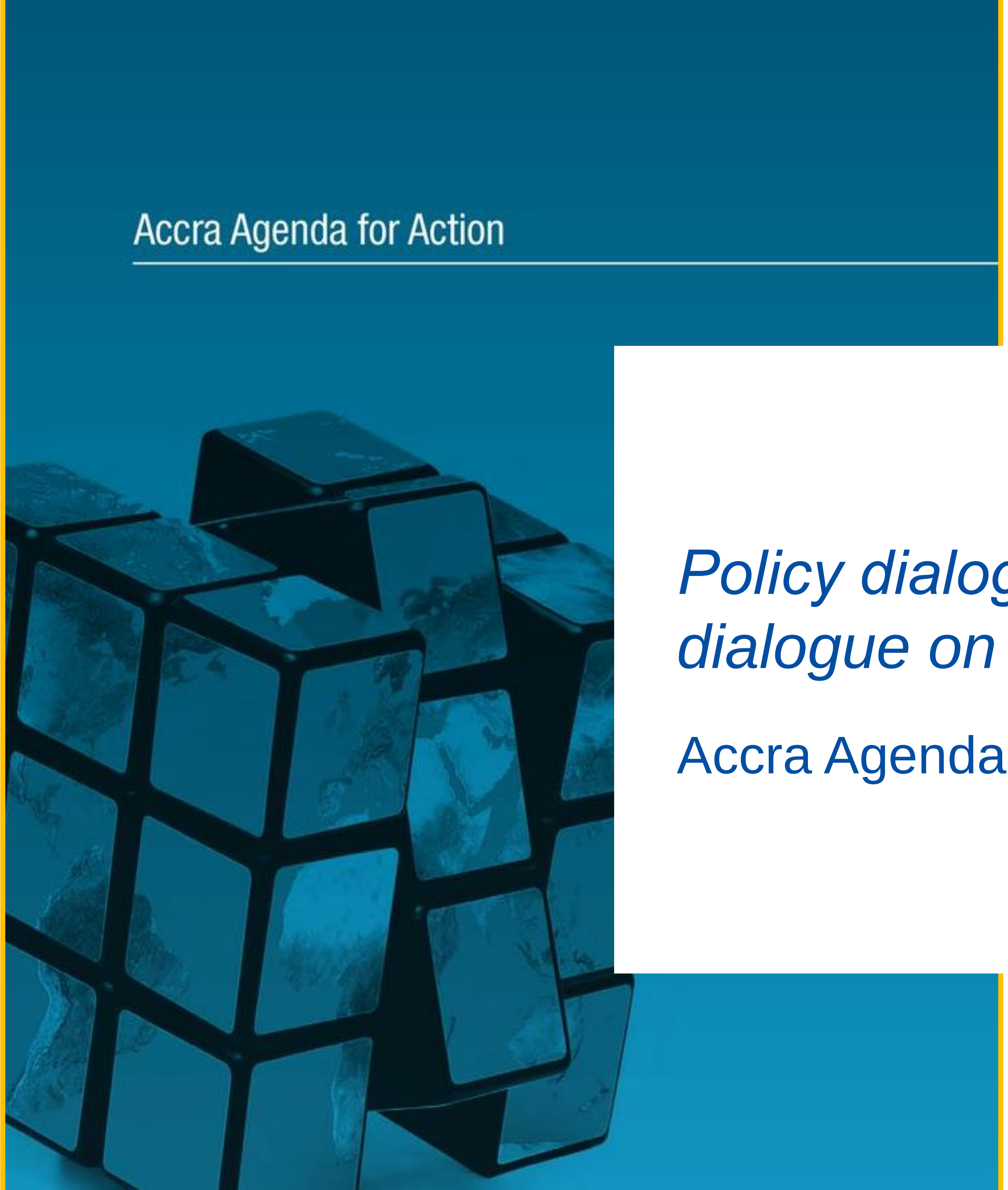




Thinking about the flow of funds of budget support, can you draw any parallels with this photo?

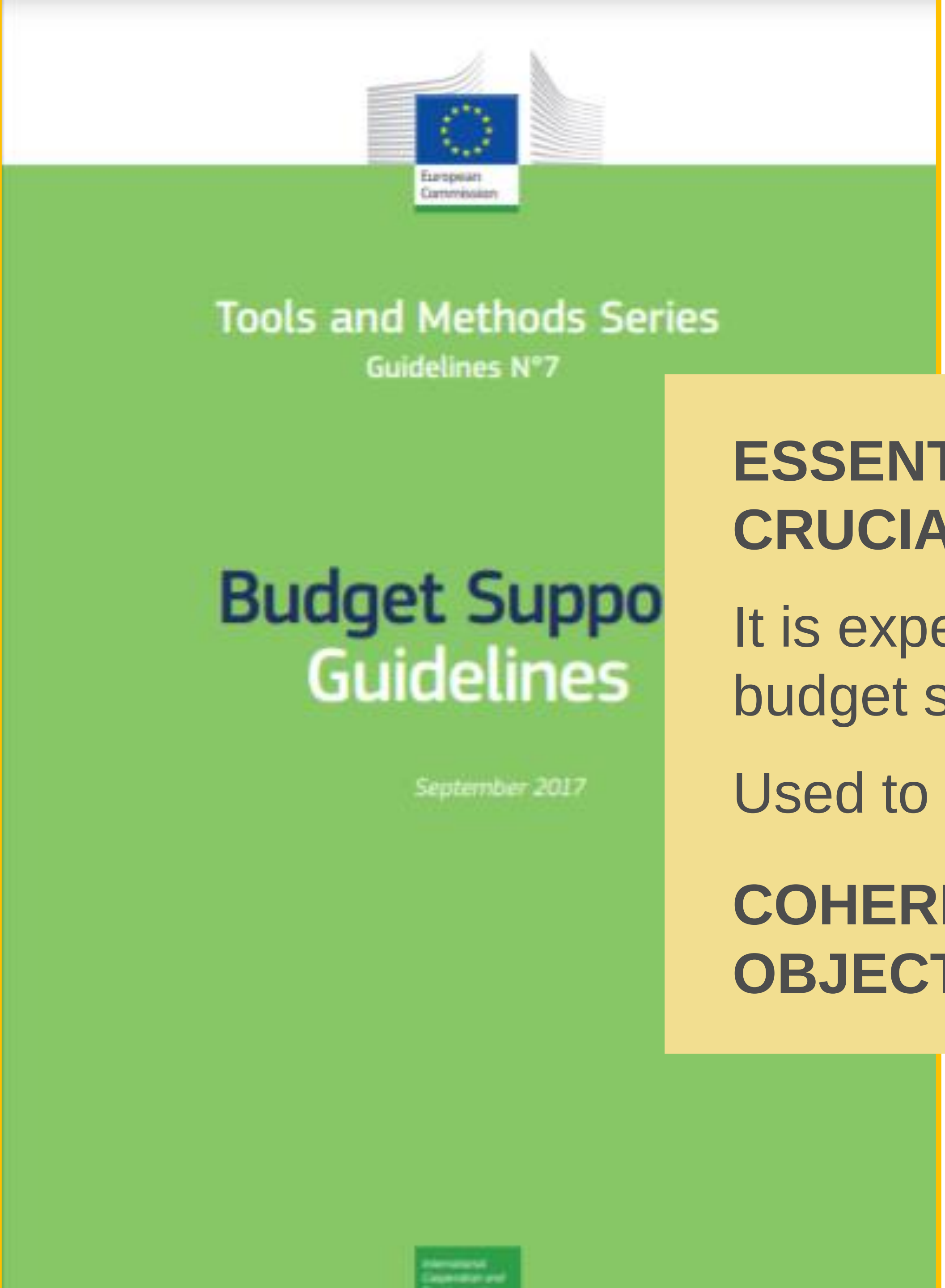
Quiz time
What is policy dialogue?

Let’s go to Menti!



Policy dialogue is an ‘open and inclusive’ dialogue on development policies.

Accra Agenda for Action (Section 13)



What is Policy Dialogue?

ESSENTIAL activity (under Budget Support) and **CRUCIAL** (for other interventions)

It is expected to **CONTRIBUTE** to the objectives of budget support & other interventions

Used to **MITIGATE** some of the **RISKS**

COHERENT and in line with the **AGREED OBJECTIVES**

Adaptation of Annex 13, Budget Support Guidelines 2017

Quiz time
What is policy dialogue about?

Let’s go to Menti!

Policy dialogue is a continuous, dynamic, multidimensional, non-linear, purposeful exchange

PD DPs DP – Gov Gov Democratic space CS « Out of the box »

Global

Regional

National

Sector

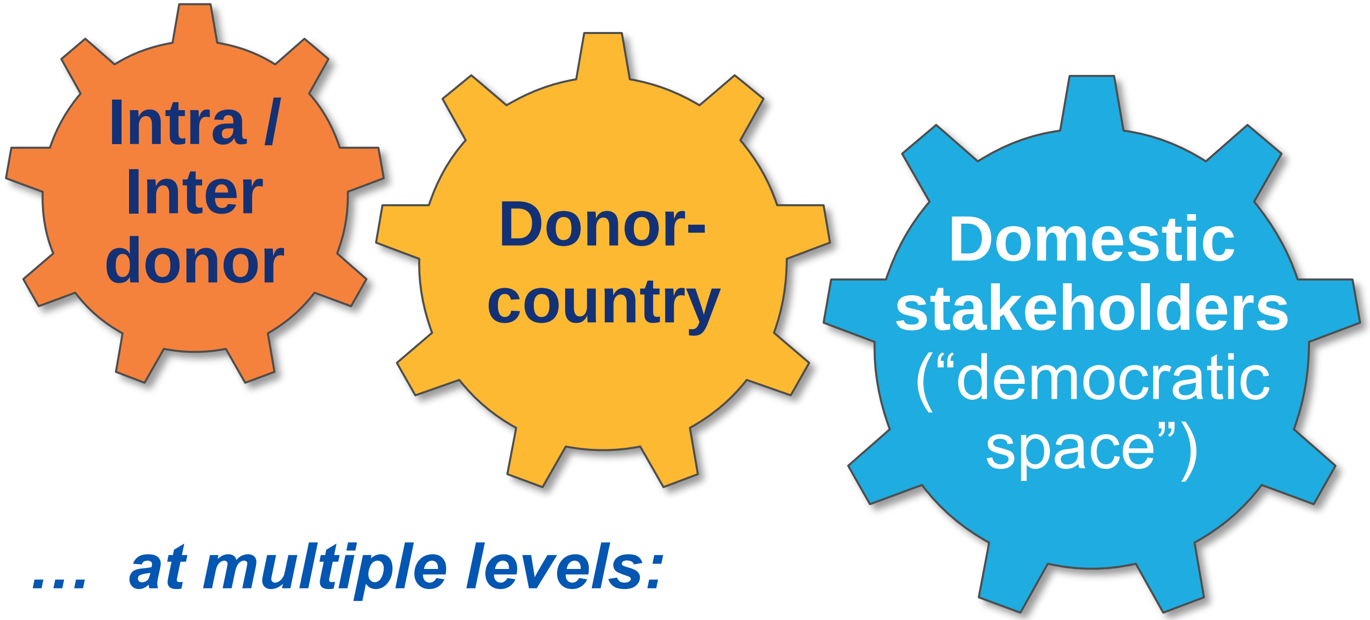
Sub-national

District

Municipal

Grassroots

… between:



… at multiple levels:

… and evolving over time !

"**As long-term progress can only be driven by internal forces**, an approach centred on political, and policy dialogue with all stakeholders will be pursued.."

Agenda for Change (2011)

European Commission

Policy dialogue: main features

- A **continued policy dialogue** during the Budget Support formulation and implementation
- A **focused dialogue to engage with partner country** around critical areas:
  - ✓ Domestic sector reform agendas (governance, accountability, regulatory and institutional framework…)
  - ✓ Assessment of eligibility criteria and performance indicators
  - ✓ Efficiency and effectiveness of sector policy formulation and implementation processes
  - ✓ Specific sector reforms to improve the quality of/access to public service delivery
  - ✓ Specific sector PFM issues that are not particularly covered by generic PFM reforms

Quiz time: What is capacity development in the context of budget support?

Let’s go to Menti!

Capacity development objectives

- Promote effective, accountable and inclusive institutions
- Enhance Government capacity to design, implement, monitor, and evaluate policies and to deliver public services
- Promote the active engagement of all stakeholders in policy design, implementation and monitoring
- Strengthen the national monitoring and evaluation framework, including statistical system
- Integrate gender equality measures in planning, budgeting and monitoring
- Mitigate risks where there is commitment to reform but lack of capacity

Any questions?

Please take a 15 min break

Four eligibility criteria needed to be satisfied

For programme approval

1. Existence of a credible and relevant programme to restore/maintain macro-economic stability

2. Existence of a credible and relevant programme to improve public financial management (PFM)

3. The proposed or enacted budget is published

4. Credible and relevant national/sector policy supports poverty eradication/inequality reduction/sustainable and inclusive growth and job creation, consolidation of democracy and peaceful society, and the promotion of gender equality

For programme implementation

1. Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances

2. Satisfactory progress in the implementation of reforms to improve PFM, including Domestic Revenue Mobilisation (DRM), and continued relevance and credibility of the reform programme

3. Satisfactory progress with regard to the public availability of accessible, timely, comprehensive and sound budgetary information.

4. Satisfactory progress in the implementation of the national/sector strategy and continued credibility and relevance of that or any successor strategy.

The centrality of the budget

(ii) Macroeconomic policy

Objectives

- Macroeconomic stability and fiscal sustainability
- Sustainable and inclusive growth

Instruments

- Monetary and exchange rate policy
- Fiscal Policy
  - Domestic revenue mobilisation policy
  - Public expenditures policy
  - Debt policy

(i) Public Policies

Budget

Domestic Revenue Mobilisation

Public Expenditure

Financing: loans & grants, incl. budget support

(iii) Public Finance Management

Function

- Manage Funds to implement public policies

Objectives

- Financial compliance
- Fiscal discipline
- Allocation of resources according to policy objectives
- Efficient public service delivery

(iv) Transparency and Oversight

Improving PFM / DRM systems

<---------- COLLECT MORE & SPEND BETTER ---------->

UN Tax Committee (UN)	EITI (WB)
Addis Tax Initiative (GIZ)	Extractive Global Programmatic Support (WB)
Base Erosion & Profit Shifting (OECD)	Natural Resource Wealth (IMF)
Revenue Statistics Initiative (OECD)	Revenue Mobilisation (IMF)
Global Forum info exchange on tax (OECD)	Tax administration TADAT (IMF)

PEFA	Pan-African Fin. Gov. (GIZ)
Africa Fiscal Forum (IMF)	PFM Partnership Programme (IMF)
Regional TACs (IMF)	Civil society

Twinning & Technical Assistance and Information Exchange instrument

Debt Management Facility (WB)
Debt Management Systems (UNCTAD)
Public Invest. PIMA (IMF)
Procurement MAPS (WB/OECD)
Supreme Audit Institutions (INTOSAI)

Risk Management Framework – RMF+

Risk Management Framework Plus (RMF+) for 2021-2027

Ref. Ares(2021)5638202 - 14/09/2021

Objectives:

- ***Move beyond budget support***
- ***Monitor and manage risks associated with EU external actions in partner countries, notably the implementation of programming documents***
- ***Simplify and increase use for policy dialogue***

MOST IMPORTANT CHANGES:

- Integrate new Commission priorities (green deal, sustainable finance, inclusive growth, migration partnerships)
- Cover dimensions important for new financial instruments / monitoring investment climate
- Better follow-up of mitigating measures, link to EU political and policy dialogue priorities and integration into INTPA decision making
- Systematic link to international indicators and EU analytical tools
- Reducing the number of questions

LINK WITH GUARANTEE RISK POLICY FRAMEWORK:

- EFSD+ Guarantee Risk Policy Framework focuses on credit risk
- The RMF complements this by:
  - Monitoring components of investment climate and associated risks
  - Helping delegations link blending and guarantee projects to partner country policies and finance
  - Informing engagement with IFIs on developing investment pipeline and design investment projects

The Assessment template:

Political system and corruption	• Human rights, gender, democracy, rule of law, insecurity and conflict, good governance and Corruption, access to natural resources
Sustainable growth and jobs	• Macroeconomic stability, vulnerability to shocks, resilience, green transition, green and inclusive growth, migration partnerships, business environment, trade, value chains, youth and employment
Sector policies	• Health, education, energy, environment, climate, agriculture, development strategy, public administration and data
Sustainable finance, PFM, Transparency and Oversight	• Revenues, debt, expenditure, procurement, public investment, transparency, audit, oversight, domestic financial system

European Commission

RMF+ what you need to know

- Expanded to all countries with bilateral cooperation at INTPA (focus still on budget support at NEAR)
- Feed into design of all instruments in Annual Action Programmes
- Leading to dialogue priorities to be endorsed by SSC/FAST
- New RMF + initiated in Sept 2021; DELs to submit RMF+ by 15 November; HQ review by 15 Jan; adoption in February.
- Application: https://webgate.ec.europa.eu/europeaid/rms/rmf/report
- Guidance (wiki): https://webgate.ec.europa.eu/fpfis/wikis/display/RelexInternalWiki/RMF+Plus

European Commission

Fictiland and sector context

- Fictiland a mountainous country, mostly rural population, numerous ethnic groups, three tier government structure
- Rapid economic growth over past 30 years: now a LMIC with poverty rate < 6% and substantial progress towards achievement of SDGs
- Strong infrastructural development but coming up against rising demand for electricity, to which access remains uneven (quality and grid)
- ECF has monopoly over grid but not over electricity generation (hydropower 38%, coal 32%, gas 17%)
- Power = 85% of Fictiland’s GHG by 2030 (growth GHG/capita +5% year) with population and economy highly vulnerable to climate impact

EU cooperation with Fictiland

- Agreed focus for the next Multi-Financial Framework: renewable energies and climate action
- Intended modalities:
  - €100 million as a SRPC to the renewable energy sector (eligibility criteria have been verified as satisfied)
  - €30 million as a co-financing of investment costs in transmission lines with Member States, the ADB and the WB (probably blending)
  - Possible additional assistance in capacity strengthening (considering twinning)

European Commission

Quiz time: Why is macro-economic stability important for budget support?

Let’s go to Menti!

Macro-economic stability

- Ensures a favourable context for development – think about volatility!
- Is essential for investments, job creation – think about planning!
- Contributes to equity – think about inflation!

→A relevant macro-economic policy will address imbalances through monetary, exchange rate, and fiscal policies

→A credible macro-economic policy is where institutions are capable to implement effectively stabilisation policies backed by political commitment

MACRO - ANALYTICAL GRID

Four building blocks:

- **(1) *Real economy*: Evolution of main macro-economic aggregates and potential sources of instability:** composition of GDP, sources of GDP growth, external balances, etc.
- **(2) *Fiscal operations*, policies and aggregates:** overall revenue and expenditure levels, financing of the deficit, debt sustainability, etc.
- **(3) *Monetary indicators* and policies:** control of inflation, money growth, regulation of the banking sector, credit requirements, regulation of the financial market, etc.
- **(4) *Balance of Payments***. Imports / Exports / Financial flows**. Vulnerability to external shocks and resilience efforts**

➔ Is the **policy mix** conducive to stability? Are fiscal, monetary exchange rate policy concurring into balancing the economy?

See Guidelines Annex 4

Exercise 1: Macro-economic policy

25’ in groups
10’ plenary feedback

Tables 1 (provided) shows the issues of concern that have been analysed by the EU’s macro-economist. With a view to ensure effectiveness of budget support and continued satisfaction of eligibility during programme implementation, please identify areas which:

- Require close monitoring and attention in policy dialogue and/or specific conditions
- Require complementary assistance (support to capacity building, studies, TA)

Take the Fictiland document provided and read the context section 1, the macro analysis section 2; and annex 1 (IMF table). The most relevant paragraphs for the exercise in sections 1 and 2 are marked in yellow. Indicate in the pre-filled Tables 1 the missing elements.

Exercise 1. Table1.1: Macro-economic assessment – Macro-economic aggregates

Issues	Issues identified	Support to capacity building	Point of Policy dialogue	Possible conditions (Performance Indicators)
Economic growth and stability; composition of GDP and sources of growth (real sector)	Lack of information about vulnerability to world eco context (exports, Foreign Direct Investment, remittances). Lack of information about climate risks.			
Fiscal balance (overall revenue and expenditure levels, financing of the deficit, debt sustainability, etc.) (public sector)	Appears healthy but fiscal deficit to monitor in case of economic slowdown. State guarantee of Sate owned enterprises (like ECF) commercial loans could become a risk . No recent Debt Sustainability Analysis			
Inflation (monetary sector)	High economic growth has the risk of overheating. In Fictiland. Inflation is partly 'imported'.			
External balances (Balance of Payments)	Not an issue at the moment but risky in times of world recession. Foreign reserves are below international standards			

Tip: Read Sections 1 and 2 and Annex 1 of Fictiland document provided
To find out more, use the Guidelines pages 33-36 and Annex 4, pages 92-97 for macro-economic assessment and pages 53 and 167 for Domestic Resource Mobilisation DRM policy

Exercise 1 – Table 1.2. Macro-economic assessment – Macro-economic policies

Issues	Issues identified	Support to capacity building	Point of Policy dialogue	Possible conditions (Performance Indicators)
Fiscal policies, including Domestic Resource Mobilisation (DRM)	DRM need support on tax impact studies? Macro/revenue projections support needed? Sufficient contingency built into the budget for climate risk?			
Monetary policies (money growth, regulation of the banking sector and financial market, credit requirements, etc.)	IMF provides monitoring and Technical Assistance			
Debt management	OK at the moment but no information about strategy in relation to State Owned Enterprises.			
Trade policies (External sector) and vulnerability to external shocks	Monitor FDI, remittances, volume of foreign reserves			

Tip: Read Section 2 of Fictiland document provided
To find out more, use the Guidelines pages 33-36 and Annex 4, pages 92-97 for macro-economic assessment and pages 53 and 167 for Domestic Resource Mobilisation DRM policy

Any questions?

Quiz time: How about this first day?

Did you find the pace today:

- too slow, just right, too fast?

How about the level of difficulty:

- too easy, just challenging enough, too difficult?

How do you feel today?

ANALYTICAL GRID PFM

- **Diagnostic of the PFM system:** aggregate fiscal discipline, strategic allocation of resources according to policy objectives, efficient use of resources for service delivery, compliance with laws and regulations.
- **Respect of PFM principles:** legitimacy and norms; rules, procedures, and due processes; transparency and accountability.
- **Key weaknesses:** reforms and milestones for monitoring progress?
- **PFM reform:** action plan, monitoring arrangements, sequencing and prioritization of reforms, political buy-in; corruption and fraud; institutional arrangements, institutional and financial resources, coordination, capacity strengthening needs, gender issues; climate resilience.

Assess all phases of the budget cycle (and esp. domestic revenue mobilisation, transparency and oversight), **at national and subnational / sector levels.**

European Commission

See Guidelines Annex 5

Exercise 2: Public Finance Management

30’ in groups
20’ plenary feedback

To ensure (continued) satisfaction of eligibility at either the start or during programme implementation, the PFM expert has identified a number of areas of concern. These are shown in Table 2.

Amongst these issues of concern in each of the analytical areas, please identify:

- Those requiring close monitoring and attention in policy dialogue and/or specific conditions
- Those that could usefully benefit from complementary assistance

Take the Fictiland document provided, read section 2 (PFM) and annex 2 (PEFA) and fill Table 2. The most relevant paragraphs for this exercise are marked in green

Exercise 2 – Table 2.1: PFM assessment

Issues	Issues identified	Possible CB	Point of Policy dialogue	Possible conditions (Performance Indicators)
① **Diagnostic of PFM:** aggregate fiscal discipline, strategic allocation of resources according to policy objectives, efficient use of resources for service delivery, compliance with laws and regulations.	Investment and recurrent budget planning separate threatening sustainability, budget credibility, strategic allocation of resources are weak. Efficient use of resources? Public investment management in particular at subnational level (energy)? Regulatory framework is in process of improvement			
② **Respect of PFM principles:** norms, rules, procedures, due processes, honesty/probity, legitimacy, transparency and accountability	PEFA PIs 15 to 23 score OK although expenditure commitment controls and internal audit need improvement. Procurement merits attention in a country with high public investment			

!

Tip: Use the Guidelines pages 36-41 and Annex 5, pages 98-116 for PFM assessment and pages 53 and 167-168 for tax administration

Exercise 2 – Table 2.2: PFM assessment

Issues	Issues identified	Possible CB	Point of Policy dialogue	Possible conditions (Performance Indicators)
③ **PFM Reform**: action plan, monitoring arrangements, sequencing and prioritization of reforms, political buy-in, corruption, ~~fraud~~, institutional arrangements, institutional and financial resources, coordination, capacity strengthening needs, gender issues	Poor relation between policies and budget. (multi-annual-) The institutional linkage between MOF and MOP is not conducive to improvement in budget formulation (dual budgeting). The Reform programme leaves out the investment component. Nothing is said on gender budgeting, so possible opening there			
④ **Tax administration**: tax collection and administration capacities, legal framework, illicit financial flows	Tax administration works efficiently. However, there is an (political?) issue of tax revenue collection at provincial level.			

! **Look at all phases of the budget cycle** (and esp. domestic revenue mobilisation, transparency and oversight), **at national and subnational levels.**

Tip: Use the Guidelines pages 36-41 and Annex 5, pages 98-116 for PFM assessment and pages 53 and 167-168 for tax administration

REQUIREMENT AND FOCUS FOR TRANSPARENCY AND OVERSIGHT OF THE BUDGET

- **For programme approval:** '*Entry point met*'? **Publication of the Budget** (either Executive's budget proposal or enacted budget) within the previous or current budget cycle.
- **During implementation:** For each tranche disbursement: 'entry point still met?' means satisfactory progress (or no deterioration) in the production, public availability / accessibility, timeliness of release of budget documents

Focus of assessment of transparency and oversight	**Six major budget documents:** budget proposal; enacted budget; in-year reports [mid-year report]; year-end report; audit report and other documents (citizens' budgets).

See Guidelines Annex 6

European Commission

Exercise 3 – Table 3: Budget transparency and external oversight assessment

Issues	Issues identified	Support to capacity building	Point of Policy dialogue	Possible conditions (Performance Indicators)
① **At programme approval: Entry point met:** Publication of the Budget within the previous or current budget cycle (either Executive's budget proposal or enacted budget)	Needs coherent budget classification Needs compatible reporting formats Scarce information at sector level			
② **During implementation**: **Entry point still met?** For each tranche disbursement, verified satisfactory progress (or no deterioration) in the production, public availability, timeliness of release of budget documents	Trend is positive but publication doesn't mean that the documents can effectively serve as support to analysis			
③ **Check on documents available**: Budget proposal	Yes			
Enacted budget	Yes but late			
In-year reports (mid-year reports)	Yes			
End-year report	Yes			
Audit report	Yes, but late & covers 60% only			
Other (such as citizens' budgets)	Yes			

Tip: Use the Guidelines pages 41-43 and Annex 6, pages 116-126 for budget transparency and external oversight assessment

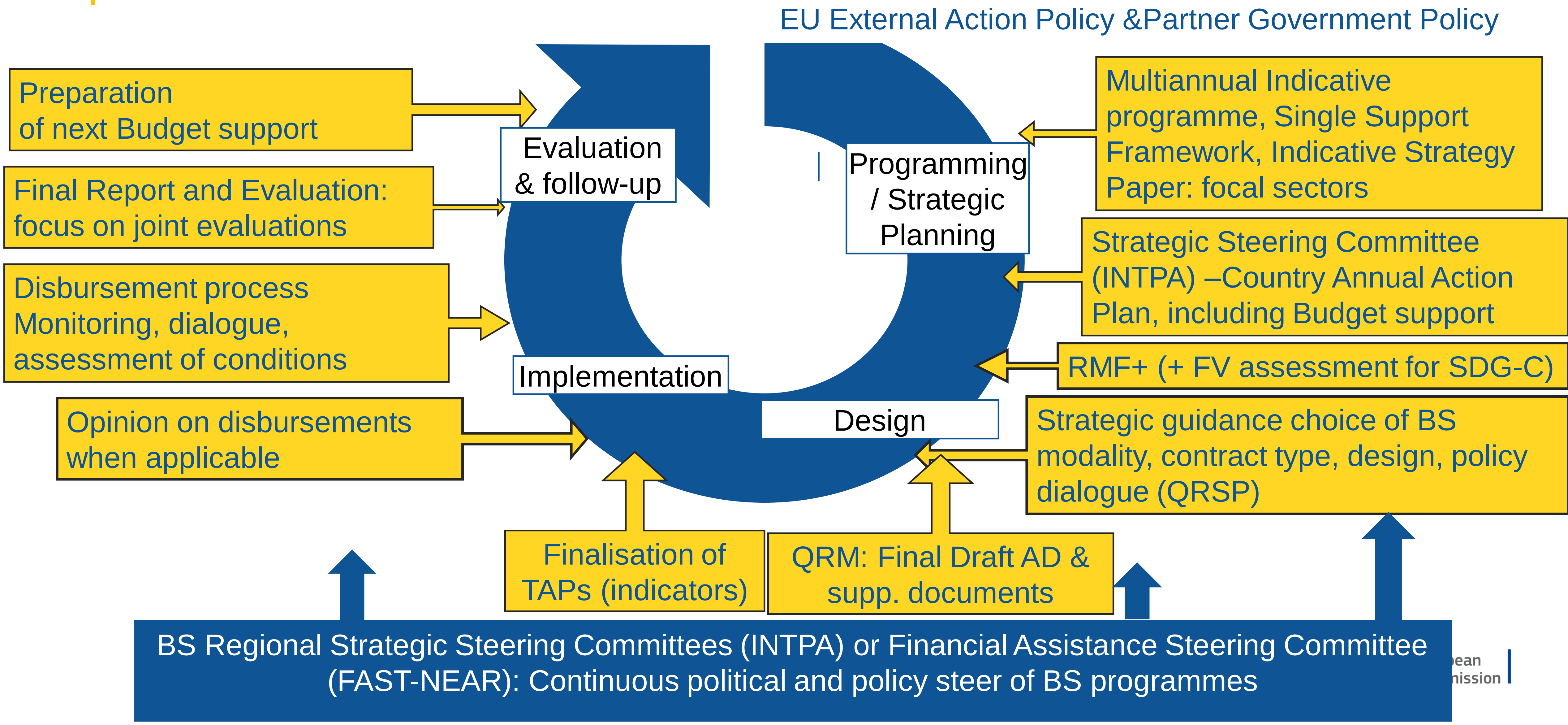
European Commission

Budget Support

Core concepts: Choice of contracts and intervention logic

Online Sessions

EU CYCLE OF OPERATIONS



Choice of contract

Sustainable Development Goals Contract

SDG-C

A mutual and shared commitment to universal Fundamental Values assumed.

Positive assessment of country's adherence and **commitment to Fundamental Values**.

Sector Reform Performance Contract

SRPC

Country's adherence to Fundamental Values **taken into consideration** as part of the Risk Management Framework (RMF).

At sector level the supported interventions should not harm and do maximum good (Rights-based approach)

State and Resilience Building Contract

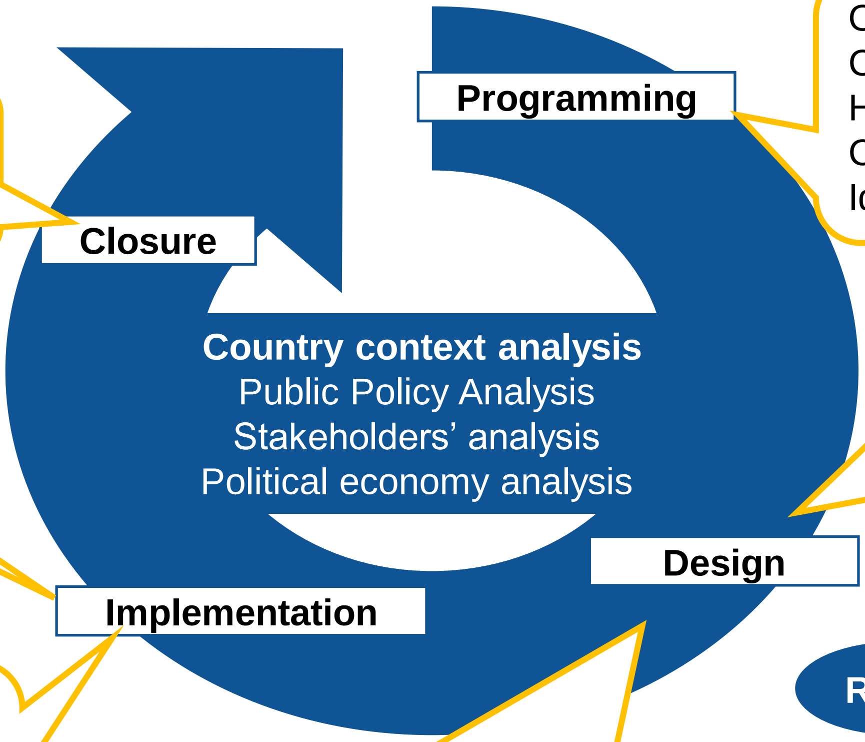
SRBC

Country's commitment to Fundamental Values and/or political response to improve the situation should be taken into account as part of the RMF.

A forward-looking approach.

Opportunity of intervention vs. risk of inaction

THE CONTEXT ANALYSIS AT THE CENTRE: A CONTINUOUS AND ITERATIVE PROCESS



Results achieved versus what was planned. Final Report incl. analysis of the reasons for possible 'gaps'

Overall national policy
Choice of overall objectives/results
Harmonization and synchronization
Choice of sectors
Identification of "global goods"

Disbursement upon proven performance and progress

Proposed objectives & results
Proposed scale and form
Status of 4 eligibility criteria
Prior actions & supporting measures
Preliminary design & implementation proposals
Main risks & next steps

RMF+

Continuous monitoring:
Verify IL, contract timeliness, conditions, factors affecting performance
Identify corrective measures, undertake PD, amend FA if needed

RMF + FA Annexes

Finalize intervention logic, budget & calendar, stakeholders, donor coordination, implementing modalities (disbursement criteria, Capacity development, Policy dialogue, M&E, domestic accountability, …), communications and visibility

European Commission

BS PREPARATION PROCESS

POLICY DIALOGUE

ACTION DOCUMENT

Action Document + annexes

Preparation of 2 supplementary documents
(PFM and transparency; policy assessment)

Design of the Budget Support Programme
Including complementary measures

Assessment of four eligibility criteria:

> **Relevant and credible national or sector development strategy**
> **Stability oriented macro-economic policy**
> **Relevant and credible PFM reform programme**
> **Publication of the budget** (transparency and oversight of the budget)

Preparation of Sector Planning Document
(IPA II countries only when no sector strategy exists)

European Commission

PUBLIC POLICY PROCESS

Initial situation (economic, social, political)

Strategy/policy formulation

Budget preparation, approbation and execution

Public services delivery (infrastructure, social services, law and order, ….)

Situation aimed at by the policy

Public Finance Management

- Need to understand where decision are made, by whom
- Political Economy Analysis (PEA), Policy Dialogue process and Stakeholders analysis

PUBLIC POLICY ANALYSIS

POLICY FRAMEWORK

> Policy content and policy formulation process
> Policy coherence
> Monitoring, evaluation and coordination mechanisms
> Communication strategy

POLICY RELEVANCE

> Adequacy of Government response to country or sector challenges (contribution to sustainable growth, sector reform and service delivery, domestic accountability and oversight, resilience, crosscutting areas, …)

POLICY CREDIBILITY

> Past track record
> Policy financing
> Institutional capacities & ownership
> Quality of data underpinning Policy

See Guidelines Annex 3

EXERCISE 4: Sector Policy

50' in groups
20' plenary feedback

The government of Fictiland has developed a new energy strategy for 2020-2050, with a an implementation plan 2020-2030 which the EU is ready to support. The sector has been analysed and a summary can be found in the documents provided (sections 1 and 5). Similarly to the previous exercises, on the basis of the analysis of the documents provided, please discuss and note in the template:

- Problematic areas
- Issues that might benefit from capacity building support
- The priority areas for Performance indicators of variable tranches
- The areas that need priority attention in monitoring (risks) and policy dialogue
- Any missing information you will need to design the budget support.

Tip: Read Section 1 (Sector context) and 5 of documents provided
To find out more, use the Guidelines pages 33-34 and Annex 3, pages 86-91

Exercise 4 – Table 4.1 – Sector Policy assessment

Issues	Issues identified	Support to capacity building	Point of Policy dialogue	Possible conditions (Performance Indicators)
① **Policy framework:** policy content and formulation, M&E system, coordination mechanisms (incl. with donors), coherence of policies, existing communication strategy	There is no M&E system so data not reliable? There is a policy document but need more specifically on rural expansion of power. Large number of stakeholders: levels of Gov't, donors, sources of funding, beneficiaries. Are they all engaged? Pivotal role of Provinces. Reaching remote areas: equity considerations.			
② **Policy relevance:** contribution to overall objectives, response to sector challenges, inclusiveness of service delivery access and quality, sector governance (incl. external oversight), tackling of cross-cutting issues (gender, youth)	Rural electrification is a priority of the national development policy Questions about the sustainability of expanding further the power Trade-offs between speed of roll-out and reaching remote communities Multiple objectives: green issues, gender, equity affordability, cost recovery, sustainability			

Tip: Read Section 1 (Sector context) and 5 of documents provided

Exercise 4 – Table 4.2 – Sector Policy assessment

Issues	Issues identified	Support to capacity building	Point of Policy dialogue	Possible BS Condition (Performance Indicators)
③ **Policy credibility**: track record in policy implementation, policy financing (costing, MT budget allocations, budget comprehensiveness, financial sustainability, fiscal decentralisation), institutional capacity and ownership, quality of data underpinning policy	Weak human resources esp. at Provincial level Track record is positive Strong political commitment Financing is questionable (ODA is not secured, tariffs are still subsidised - will prices be adjusted? How will it affect rural incomes/equity? How is the grid is going to be maintained?			
④ **Other risk areas** that require close monitoring	Energy pricing Uneven institutional capabilities (stable staffing?)			
⑤ **Missing elements required for analysis and decision-making**	Policy documents (details), annual plans and costing Credibility of assumptions?			

Tip: Read Section 1 (Sector context) and 5 of documents provided
To find out more, use the Guidelines pages 33-34 and Annex 3, pages 86-91

Budget support Intervention Logic (OECD/DAC 2012)

GOVERNMENT POLICY & SPENDING ACTIONS (STRATEGY)

Inputs to Government policy & spending actions

Budget Support inputs	Direct Outputs	Induced Outputs	Outcomes	Impacts
Funds Conditions / indicators Capacity development Policy Dialogue	Improvement in the relationship between external assistance and the national budget and policy processes	Improved public policies, public sector institutions, public spending and public service delivery	Positive responses by beneficiaries to government policy management and service delivery	Sustainable Growth & Poverty Reduction, Stability

EXTERNAL FACTORS, CONTEXT FEATURES AND FEED BACK PROCESSES

EXERCISE 5: Intervention Logic

40' in groups
20' plenary feedback

The EU analysed the complementary information and documentation received from the government and the policy eligibility criterion is satisfied. The EU has decided to provide a €100 million SRPC to support the expansion of sustainable energy in rural areas. Budget support design can start.

You are now tasked with preparing the Action document for the operation. As a first step, you will prepare the intervention logic of the operation, enabling you to clearly identify the expected contributions of budget support to the sector's objectives, understand the dynamics that will produce the expected results, the assumptions made and the risks entailed. You might not be able yet to fill in all parts of the intervention logic, but go as far as you can.

Tip: Remember esp. Sections 1 and 5 of documents provided and read section 6 (lessons learned
To find out more, use the Guidelines pages 21 and 22 and Annex 2, pages 81 to 85.

Exercise 5 – Table 5: Intervention Logic of support to the energy sector of Fictiland

	Results chain	Indicators	Mechanisms, processes, challenges/ risks and assumptions
Overall objective: impact			
Outcome(s)			
Induced Outputs			
Direct outputs			

Quiz time: Budget support, eligibility criteria and intervention logic

Any questions?

European Commission

Budget Support

Design and design simulation

Online Sessions

Exercise 5.1 – IL of support to the energy sector of Fictiland - Example

Assumptions/risks

ECF technical back up provided to Provinces
ECF & GoF prioritise programme
GoF, ECF, DPs provide funding

DPs =TA pool funding
Gvt commitment to update tariffs/costs
Overcome political reluctance on improved budget mgmt

Proper technical back up must be provided by ECF to Provinces

Results chain	Indicators	Baseline (year)	Targets (year)
Overall objective: impact Improved living conditions in remote areas	Increased economic value generated by small businesses operating in rural areas Income levels in remote areas Health outcomes and literacy rates in remote areas	No known baseline	2023 baseline available 2025: +30% business 2025: Income :10% 2030: social indicators +5%
Outcome(s) Coverage of remote areas by off-grid electricity supply	• rural, mountainous and island areas households' access to a reliable electricity supply • Reduced hours of outages • accountability in sector	2021: 98% -	2030: 100% Reporting Yearly basis on budget, extension of access, number of households
Induced Outputs Improved Governance of energy sector	• M&E system operating • Disaggregated and detailed electricity data availability • Increased share of green power supply • Revision of tariff mechanism • Improved MT budget planning at province level • Improved management investments	2021: no baseline	M&E by 2022 Data by 2023 Tariff revised each year MT Budget available 2022
Direct outputs Funding of projects CB in PFM, project management, data collection Studies in electricity tariffs	• No of projects funded by ECF • No of projects funded by Provinces • No of feasibility studies completed • Trained staff at Provinces for budget management • Trained staff in project management • Data collection & treatment systems • Electricity tariff simulations	Not known	2030: 50 overall

European Commission

DESIGN CONSIDERATIONS

The design flows from the sector and eligibility criteria analysis and the ensuing policy dialogue. It involves:

- Agreeing with government on the **PFM Reform Strategy and its monitoring framework**: essential for assessing and disbursing.
- Agreeing with government on **policy**: essential for assessing and disbursing.
- Agreeing with government **on areas requiring capacity building support**, including macro-economic, public finance and sector management.
- Agreeing with government on **means of verification and assessment, timing, principles and rating.**
- Agreeing with government on **coordination** and **monitoring** frameworks.

- Deciding **amounts, duration, size, phasing.**
- Agreeing with government on **fixed and variable tranches: number, amount, distribution.**
- Agreeing with government on **disbursement conditions**: incl. indicator definition, baseline, target, timing, scoring method.
- Agreeing with government on **Transparency and external oversight**: entry point and milestones for the programme implementation.

THE ROLE OF GOVERNMENT INSTITUTIONS

Key institutions involved and roles in preparing budget support	Line Min.	Foreign cooperation Liaison Office	Ministry of Finance
	Policy definition	Programming	PFM Reform Strategy: Design and Implementation
	Coordination within administration and with donors	Alignment with cooperation (accession) strategy	Coordination of reform effort with other PFM institutions (SAI, Parliamentary Committee) and line ministries
	Policy dialogue	Monitoring link to IPA sub-committees	Coordination through SWG with donors, strong monitoring and reporting

Fulfil the agreed policy implementation within specified timeframe:

A dynamic interpretation of each eligibility criterion

The fulfilment of agreed indicators for performance tranches

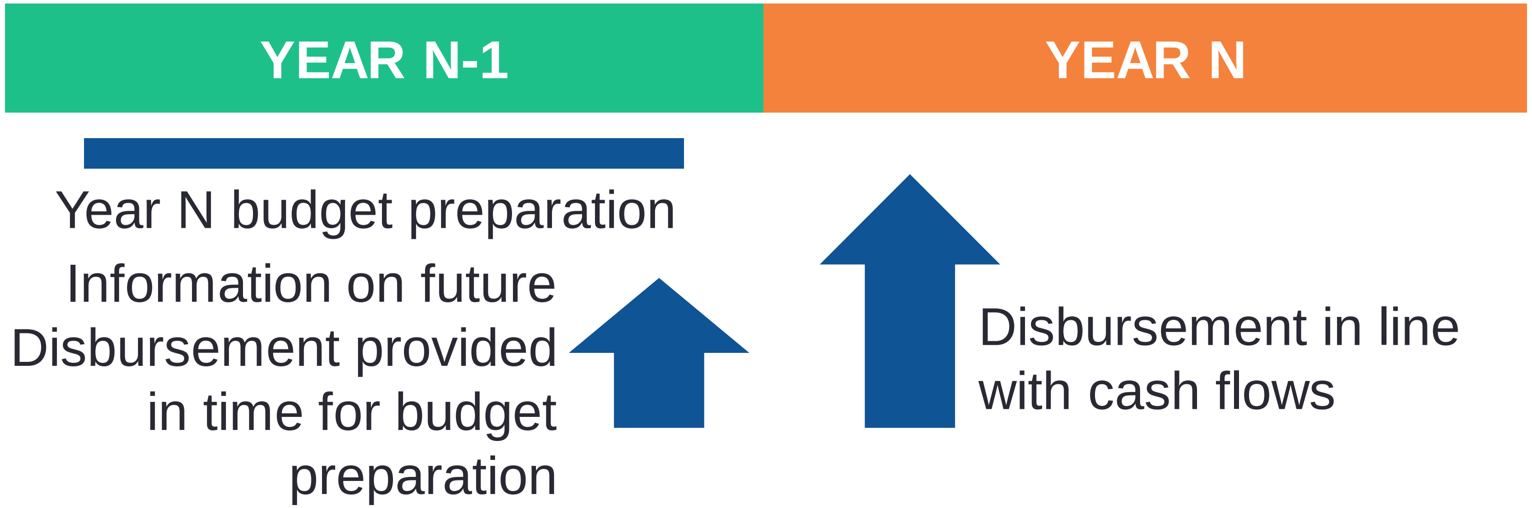
FUNDING ARRANGEMENTS

Additionality of funds:

- All funds are additional to domestic revenues
- When considering additionality of BS:
  - Consider effects on the Medium Term Fiscal Framework and strategic resource allocations according to overall policy priorities (also, or in particular at sector level)
  - Consider recurrent cost implications and sustainability.
- Additionality ≠ targeting
- No additionality at sector level but additional space at macro level: focus on dialogue, incentives and conditions on results
- Emphasis on effectiveness and efficiency of sector policies and expenditure

TIMING OF DISBURSEMENT AND DURATION: BS PREDICTABILITY

Predictability in the short term: align to budget cycle and treasury cash flow



Predictability in the medium term: duration of contract:

- SDG-C and SRPC (3-4 years in principle), usually repeated
- 1- 3 years for SRBC (depending on volatility of situation)

- **No floating tranches**

SIZE AND PHASING OF VARIABLE TRANCHES

> Variable Tranche meant to have incentive effects and to signal specific performance issues: larger VT may have stronger incentive effect, but the PC is taking higher risks.

Balance needed between creating incentives and avoiding unpredictability and volatility of disbursements (on average 50% Fixed Tranche and 50% VT)

Maximise the benefits

Minimise the risks

> Countries with good track record and low risk profile can get contracts with longer duration and low VT share. BS in NEAR countries may have 0% FT after year 1.

Illustration of funding profile: Energy SRPC in Fictiland

SRPC to the Energy sector of Fictiland of a maximum of €100 million over 2023-2025 with annual tranches of financial support with a fixed and a variable component, the variable component being performance based

Disbursement: amounts in Euros (= Maximum) and schedule

	2023		2024		2025		Total
	In € m	Timing	In € m	Timing	In € m	Timing	In € m
Fixed tranche	20	Q3	20	Q2	15	Q2	55
Variable tranche		Q3	10	Q2	15	Q2	25
Total BS	20		30		30		80
CSA	20	Q4					20

Maximum total amount €100m

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Reminder

Capacity development objectives

- Promote effective, accountable and inclusive institutions
- Enhance Government capacity to design, implement, monitor, and evaluate policies and to deliver public services
- Promote the active engagement of all stakeholders in policy design, implementation and monitoring
- Strengthen the national monitoring and evaluation framework, including statistical system
- Integrate gender equality measures in planning, budgeting and monitoring
- Mitigate risks where there is commitment to reform but lack of capacity

European Commission

EXERCISE 7: Identify Complementary support activities

25' in groups
15' plenary feedback

Your initial assessments revealed areas of considerable institutional weaknesses, which could jeopardise the reaching of the energy policy objectives. In addition, whilst preparing the Intervention Logic, you faced some issues with access to reliable data. This led you to allocate € 20 million from the total budget support to complementary support activities.

Please carefully consider the areas you identified earlier as being potentially in need of capacity building and propose a package of technical assistance, studies, training, and other support, that could be provided under the €20 million CSA envelop.

!

Do not forget to have a look at what other development partners already provide.

Prioritise! Be realistic!

Tip: Read Section 7 (M&E) and Annex 3 in your background document.
No specific chapter or annex in the Guidelines, but see a paragraph on p15

Outcome of exercises 1 & 2: illustrative choices of capacity building support for Fictiland's energy sector

Background: SRPC to the Energy sector of Fictiland of a maximum of €100 million over 2023-2025 with €20m set aside for CSA

Area of change that requires strengthening	Type of capacity strengthening	Ministry/ Agency benefiting	Timing and length of intervention
Budget management at provincial level	Training	Provinces	continuous
Procurement	TA by EU Reform programme	Provinces	continuous
Energy information systems: from collection to treatment & publication	TA, training of statisticians, hardware if needed	FSO	asap
Tariff studies	Study	MOF and ECF	asap
Support to feasibility studies (greening)	Study, consultancies	ECF, market parties	asap
Studies on compensations for vulnerable groups (when electricity subsidy is lifted)	Study & research	MOF, other ministries	At the same time as tariff study
Legal and regulatory frameworks, norms and technical standards development for Renewable Energy & Independent Power Producers	TA, studies	Regulator, ECF, MOE	2022
Reinforcement of audit function (central & Province)	EU twinning with MS SAI	SAI	2021-2025
Participation in Pool fund on PFM TA	n/a funding only (PIMA Province to be foreseen)	Through IMF	
Participation in Pool fund on Energy TA	n/a funding only	Through ADB	

WHICH INDICATORS FOR BUDGET SUPPORT?

Input	Process/ activities	Output	Outcome	Impact
Quantity of resources		Measurable service / physical aspect	Direct results of the actions	Changes in social / economic conditions
Increased funding for education	Improved strategic planning / budget	More schools and qualified teachers	More children attending school Quality of educ. enhanced	Increased literacy
Funding	Construction tenders finalized, training needs identified	NB of schools built/teachers trained	Enrolment and completion rates	Literacy rate male/female

Effectiveness: ratio of input/outcome OR output/outcome

Efficiency: ratio of input/output

Special Report

Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches

“

(…) Most (variable tranche performance indicators) were focused on short-term actions rather than longer-term results, including progress towards the sustainable development goals. Only 13 % of the 248 indicators we reviewed measured outcomes or impacts in the supported sectors (…). The use of outcome indicators would enable the Commission to better measure longer-term results in the supported sectors, including progress towards achieving the SDGs.

CURIA RATIONUM

EUROPEAN COURT OF AUDITORS

European Commission

Special Report

Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches

EUROPEAN COURT OF AUDITORS

More than one third of the indicators were vaguely defined or had incorrect baselines, or none at all. This allowed for different interpretations as to whether targets had been achieved, making the analysis of the disbursement requests more complex and less objective. (…) Particular attention should be paid to:

(a) Using performance indicators that are specific and do not allow different interpretations;

(b) Using baseline values and targets

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Practical steps
in defining, verifying and using indicators

Fine-tuning the results chain in a participatory way

Elaboration, reconstruction of the intervention logic

Capturing change

Identification, selection of indicators

Ensuring reliable sources of data

Identify sources

The starting point of a given change

Identify baseline values

Setting the extent of the desired change

Establish targets

Contrasting theory and reality in a participatory way

Validate indicators

Don't forget: Establishing robust M&E arrangements is necessary to use indicators. Pay attention to the design of data collection systems and quality

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INDICATOR TEMPLATE (AD template June 2021)

Full Title Indicator	
Base line year 0	Source:
Target for year 1	Period under review; indicative date of completion; sources of verification, expected date of transmission to Commission; what would be considered partial completion; amount attached
Target for year 2 (etc)	As above
Indicator type	Process/ input/ output/ outcome (select 1)
SDG marker	No more than 3 SDGs
Purpose	5 digit purpose code (OECD-DAC Creditor Reporting System)
Relevance / reference to country's public policy	Demonstrate alignment (incl. exact reference if possible); relevance to the intervention logic and to policy dialogue priorities
Definition and calculation	Formula (numerator, denominator) or as used in government official documents; measurement unit (%, km, national currency etc.)
Disaggregation	If available by gender, geographic area, population groups
Data collection and publication	Department in charge of data collection, processing, analysis and publication; Usual publication periodicity, timeliness or delays observed in the past
Data quality	Data quality assurance (diagnostics, national strategy strengthening statistical systems); statistical weakness; confidence level; mitigation measures to overcome weaknesses
Risks or exogenous factors	Describe. Mitigating measures?

Other ECA recommendations

- The Commission should:
- update baseline information prior to contract signature or correct the baseline values during contract implementation if necessary, by amending the budget support contract
- avoid situations in which the partner country achieves targets exclusively due to EU-funded technical assistance
- refrain from using sub-indicators in order to limit the actual number of indicators to the maximum described by the guidelines.

EXERCISE 8: Agreement on Performance Indicators

40’ in groups
20’ plenary feedback

After 18 months of intense discussions, the EUD and the Fictive Government are about to reach a final agreement on the performance indicators, to which 72% of the EU budget support will be linked in the form of 3 variable tranches to be disbursed in 2023, 2024 and 2025 (see funding profile hereafter).

Gradually the choice has been narrowed down to 12 indicators (see the list in section 8 of the background document) and negotiations now need to conclude on a final 8 indicators.
Use the criteria provided to assess and discuss which indicators are fit for purpose. Ideally retain only 4 out of the 5 indicators proposed.
Group 1: Please look at indicators 1, 3, 6, 7 and 12
Group 2: Please look at indicators 1, 4, 5, 8 and 12.

Tip: Read Sections 7 (M&E) and 8 in your background document.
Consult annex 8 in the Guidelines, in particular the ten aspects to consider when assessing performance indicators and the indicator documentation sheet (p139)

Funding profile (for information)

SRPC to the Energy sector of Fictiland of a maximum of €100 million over 2023-2025 with annual tranches of financial support with a fixed and a variable component, the variable component being performance based

Disbursement: amounts in Euros (= Maximum) and schedule

	2023		2024		2025		Total
	In € m	Timing	In € m	Timing	In € m	Timing	In € m
Fixed tranche	20	Q3	20	Q2	15	Q2	55
Variable tranche		Q3	10	Q2	15	Q2	25
Total BS	20		30		30		80
CSA	20	Q4					20

Maximum total amount €100m

European Commission

Table 8.1: Agreement on Performance Indicators

Indicator name	PI 1	PI 2	PI 3	PI 4	PI 5	PI 6	PI 7	PI 8	PI 9	PI 10	PI 11	PI 12
Type (input, output, process, outcome)												
Quantitative or qualitative?												
Target, baseline?												
Periodicity?												
Degree of annual change sufficient?												
Reliant on demographic data?												
Source (admin. Data or survey)?												
Methodological aspects clear?												
Under Government control?												
Disaggregation possible?												
Means of interpretation?												

TRAPS TO BE AVOIDED WITH BUDGET SUPPORT

- **Over-asking** (more than reasonably can be achieved).
- **Multiplicity of conditions.**
- **Conditionalities beyond Government's control.**
- **Lack of clarity in the FA,** in particular related to the monitoring / measurement of indicators.
- **'The battle among consultants'** in relation to the indicators**.**
- **Taking over government's responsibilities** (e.g. TA elaborates the new sector policy).
- **Micro-management** (as opposed to government ownership).
- **Any reporting and auditing** over and above what is agreed upon**.**
- **Overloading the BS** because of perceived fears of risks**.**

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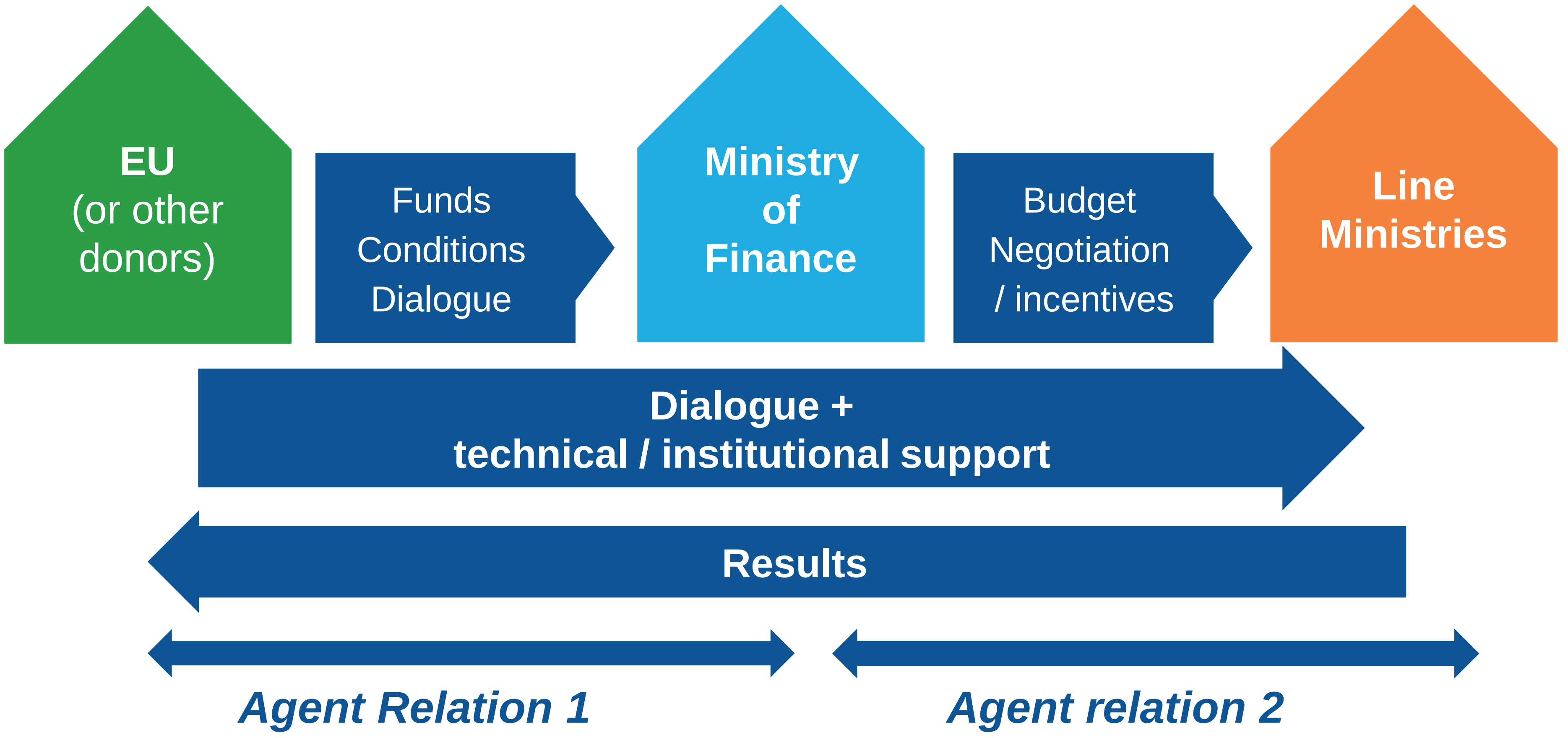
DON’T OVERLOAD BUDGET SUPPORT!

Budget Support

Monitoring and disbursement and implementation simulation

Online Sessions

THE PRINCIPAL - AGENT RELATIONSHIP



Source : adaptation of Paul & Vandeninden

Monitoring

European Commission

DISBURSEMENT AS EXPRESSION OF COLLABORATION

Monitoring and evaluation (M&E)

What is it ?

Continuous system of routine collection of information.

What does it do?

Determines progress in carrying out planned activities and measures progress towards achieving sector strategy objectives.

Why use it ?

To provide feedback to programme implementors, sector stakeholders, wider Government, donors, any other interested parties.

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The role of performance indicators

1. Planning – what does the policy wish to achieve?
2. Monitoring – how is the policy performing?
3. Review – what did the policy achieve?
4. Evaluation – did the policy make an impact?
5. Justification for bids for resources
6. A basis for accountability
7. A basis for demonstrating value for money
8. Focusing people's attention on what is important
9. Flag up problems to be addressed

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Source: Peter Jackson and Bob Palmer, 'Developing Performance Monitoring in Public Sector Organisations'

Quiz time

Let’s go to Menti!

WHAT IS SUBJECT TO MONITORING?

External factors, context, feedback processes

INPUTS

> Financial transfers
> Policy Dialogue
> Disbursement conditions
> Capacity development

OUTPUTS

> Improved relations between external support and national budget and policy processes

INDUCED OUTPUTS

> Strengthened public policies
> Strengthened public sector institutions
> Strengthened public spending
> Strengthened public service delivery

OUTCOME

> Positive beneficiaries' responses to government policy management and service delivery

IMPACTS

> Sustainable and inclusive growth
> Poverty reduction
> Empowerment
> Social inclusion

Assumptions *Assumptions* *Assumptions* *Assumptions*

MONITORING AND DIALOGUE:

> Eligibility criteria
> Fundamental values
> Performance indicators

Quiz time

Let’s go to Menti!

MONITORING A BUDGET SUPPORT PROGRAMME: A CONTINUOUS PROCESS

Follow up and data collection

- Reports from Min Finance, Central Bank
- IMF/WB / ECFIN Reports
- Sector reports (implementation)
- Enacted budget
- Reports on budget execution
- Assessments of PFM (PEFA, TADAT, PER, OBI)
- Implementation reports of PFM Action Plan
- Human rights reports
- M&E and disbursement indicators

Analysis

- Macroeconomic framework
- Progress in implementing policies
- Relevance/credibility of the policies
- Progress of PFM reform
- DRM (revenue) and Budget (expenditure) execution
- Availability/accessibility of budget documents
- Monitoring of performance indicators, achievement of results, specific objectives.
- Evolution of risks
- Monitoring of risk and mitigating measures

Payment file/ annual report

- Verify continued relevance/credibility of policies
- Macroeconomic assessment
- Annual progress on PFM
- Assessment of progress in transparency
- Risk Management Framework (RMF+)
- M&E systems

POLICY DIALOGUE

The landscape for monitoring and performance

Demand

Users

Parliament

Supreme Audit Institution

Civil Society

Central Statistical Office

Academia

Supply of information

M&E structures
- Mandate
- Responsibilities
- Tools

Adequate capacity for M&E
- Specialised human resources

Policy & Strategy
Objectives, indicators, baselines & targets

Data
- Integrity
- Collection (administrative, surveys, evaluations)
- Storage & Dissemination
- Access/Use

Culture of Monitoring and performance
- Internal/external demand for it
- Management use and remedial actions taken
- Use by external stakeholders

Disbursement

DISBURSEMENT PROCESS

Partner country	Request for tranche release & engage in dialogue with EUD
EU Delegation	Engage in dialogue with national authorities, analyse tranche release request, assess tranche release and prepare a disbursement file. Submit clear recommendation
INTPA	Country Cooperation Teams (CCTs) make decisions on operations and payments, potentially involving discussion by the geographic Strategic Steering Committee (SSC) The SSC formally approves (or not) the operation and payment
EU Delegation	HOD provides authorising officer visa and letter with key messages to be taken up in dialogue Verification of payments (incl. exchange rate verification)

REQUIREMENTS FOR DISBURSEMENT

	What is assessed by the EU	Required from Government
Public policy	Continued credibility and relevance of the strategy Satisfactory progress in implementation	Report on strategy implementation and sector progress Highlights on areas of special interest Progress on agreed performance indicators ***Challenges met & response provided***
Macro-economic stability	Stability oriented policies aimed at restoring key balances The country's vulnerability to external shocks	Report on annual macro-economic performance, incl. fiscal performance and DRM ***Challenges met & response provided***
PFM and budget transparency	Progress in implementation of Public Finance Management reforms Satisfactory access to budget information Progress in Domestic Resource Mobilisation	Report on progress of Public Finance Management reform implementation, incl. Domestic resource mobilisation Report on budget transparency ***Challenges met & response provided***

Please take a 15 min break

Exercise 9: June 2024, Performance indicators

Indicator	Base-line value	Year 2023		Weight	Maximum Amount	Score	Actual amount
		Target	Actual				
Objective 1: Grid development							
1. PI 1. Grid access	120500	155000	147000	10%	€ 1 M	0.5	€ 0.5 M
2. PI 4 Renewable energy consumption	70000	95000	n/a	10%	€ 1 M	0	€ 0 M
Objective 2: Sector governance							
4. PI 6 Energy Information System	n/a	Yes	Yes	20%	€ 2 M	1	€ 2 M
3. PI 5 Recurrent budget %	2.50%	2.50%	1.76	10%	€ 1 M	0	€ 0 M
5. PI 8 Electricity subsidy	68%	80%	68%	15%	€ 1.5 M	0	€ 0 M
6. PI 9 Feed-in Tariff	n/a	Yes	Yes	10%	€ 1 M	1	€ 1 M
8. PI 12 Solar development plan	n/a	Yes	Yes	10%	€ 1 M	1	€ 1 M
Objective 3: Social protection							
7. PI 10 Social assistance scheme	n/a	Yes	Yes	15%	€ 1.5 M	1	€ 1.5 M

TOTAL TO BE DISBURSED: € 6 million out of a maximum of € 10 million

Calculating the Variable tranche 1/2

- Method 1: Assess individual indicators:
  - 0 = no progress; 0.5 = significant progress;1 = target met
  - Pro rata payment: aggregate amounts for each indicator

- Method 2: Assess aggregated performance of indicators by policy objective:
  - 0 = unsatisfactory (aggregated score below 35% of maximum); 0.5 = satisfactory (score 36-70%); 1 = strong (71-100%)
  - Pro rata payment: 0 → no disbursement, 0.5 → 50% disbursement; 1 → full disbursement

Calculating the variable tranche 2/2

- Method 3: Assess all indicators together for overall performance with total score:
  - below 30% of maximum= unsatisfactory → no disbursement;
  - 31%-45% = limited → disbursement 35%;
  - 46-75% = satisfactory → disbursement 65%; and
  - 76-100% = strong → full disbursement.
- In principle undisbursed funds will not be recycled to next tranches (decommitted or used for complementary support actions)
- In exceptional cases, an indicator can be neutralised or waived and the amount can be reallocated to the other indicators or to the next year and/or reassessed following year if positive trend

Illustration of scoring methods

Indicator	Weight	Maximum Amount	Score	Actual amount		
				Option 1	Option 2	Option 3
Objective 1: Grid development					Score 25% *Unsatisfactory* € 0 M	Overall score 4.5/10 *Limited* € 6.5 M
1. PI 1. Grid access	10%	€ 1 M	0.5	€ 0.5 M		
2. PI 4 Renewable energy consumption	10%	€ 1 M	0	€ 0 M		
Objective 2: Sector governance					Score 60% *Satisfactory* € 3.25 M	
4. PI 6 Energy Information System	20%	€ 2 M	1	€ 2 M		
3. PI 5 Recurrent budget %	10%	€ 1 M	0	€ 0 M		
5. PI 8 Electricity subsidy	15%	€ 1.5 M	0	€ 0 M		
6. PI 9 Feed-in Tariff	10%	€ 1 M	1	€ 1 M		
8. PI 12 Solar development plan	10%	€ 1 M	1	€ 1 M		
Objective 3: Social protection					Score 100% *Strong* € 1.5 M	
7. PI 10 Social assistance scheme	15%	€ 1.5 M	1	€ 1.5 M		
TOTAL DISBURSEMENT				€ 6 M	€ 4.75 M	€ 6.5 M

European Commission

EXERCISE 9: Disbursement negotiation (not Fictiland case), June 2022

50’ in groups
20’ plenary feedback

A first year of budget support has passed. During 2021, you have kept close to the MoE and its various technical departments to monitor progress. You participated in the SWG with the other development partners and stakeholders. With the COVID-19 pandemic, policy plans could not be implemented as originally designed.

To support the Government in coping with the economic and fiscal aftermath of the health situation, the EU already brought forward the payment of the 2022 fixed tranche. You are now sitting down with the authorities to discuss the disbursement of the 2022 variable tranche, which is based on the performance for 2021. Four out of the 8 indicators did not reach their agreed targets in 2021….

For this exercise, you will be divided into two groups, one group representing the EUD, the other group representing the Fictive Government. Please nominate a speaker. Prepare your arguments for disbursement. An article has just been published in the Fictou Daily Post… see the provided documents.

European Commission

Please take a 15 min break

WHICH DOCUMENTS TO INSERT / HYPERLINK IN A DISBURSEMENT FILE

Partner Country
Formal request from the Government

- **Cover Letter**
- **(i) Financial information form:** validity of bank account and Proof of transfer previous disbursement (exchange rate) (if not done before)
- **(ii) Analysis and evidence** of continued eligibility and targets achieved for the indicators of the variable tranche
- Calculation variable tranche and amount requested

EU Delegation

Template plus:

- Government policy framework (if new)
- Government policy implementation report and action plan
- Aid Memoire of Joint Review (if applicable)
- IMF reports; other macro-economic reports
- PFM Diagnostic reports
- Government PFM Reform progress report
- Policy dialogue framework / plan (if applicable)

Finally, data need to be verified!

The Commission should:

a) review the underlying evidence supporting the performance data provided by partner countries in the disbursement request, unless it has already explicitly concluded that this data is reliable;

b) when using external reviews, require in the terms of reference the verification of the reliability of key performance data provided by partner countries. Before disbursing the variable tranche, verify that the experts have complied with this requirement.

Source: ECA, Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches, 2019

IF THINGS GO WRONG: GRADUAL AND PROPORTIONAL RESPONSE

Change in Fundamental Values	Response
Stable or positively progressing situation	• Minor adaptations for fine-tuning if required
Concerns arising	• Mitigation measures to be proposed • Roadmap for improvement
Significant deterioration	• Report from EU Delegation to Geographic Director (support by INTPA / NEAR, EEAS). • Next to SSC / FAST. Suggestions for precautionary measures (complementary actions?); delay in disbursement; reduction of BS
Extreme cases	• Suspension • Possible re-allocation of resources to non-governmental activities

Questions and Answers INTPA Unit E1

ROUNDING UP: RELEVANT INFORMATION?

- **On INTPA Internet:** https://ec.europa.eu/international-partnerships/budget-support_en
- **On INTPA Intranet:** Always refer to it (for templates, documents etc)
  - https://myintracomm.ec.europa.eu/dg/intpa/eu-development-policy/budget-support-public-finance-domestic-revenue/Pages/budget-support.aspx
  - Links to Videos:
    - What is EU budget support? – https://bit.ly/EUbudgetsupportVideo1
    - How EU budget support operates – https://bit.ly/EUbudgetsupportVideo2
    - EU budget support, a partnership for results – https://bit.ly/EUbudgetsupportVideo3
    - EU budget support at the time of crisis, the State and Resilience Building Contract – https://bit.ly/EUbudgetsupportVideo4

- **On Capacity4Dev platform:**
  - Restricted group « Budget Support Network » - https://europa.eu/capacity4dev/bsn
  - Public Group: « Economics, public finance, domestic revenue mobilisation & budget support » - https://europa.eu/capacity4dev/macro-eco_pub-fin - Training material available here

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Thank you